

## DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER  
COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE**

**FROM: DANIEL KLEIN AND CHRIS HECHT**

*FLS-W-12-02*

**DATE: MARCH 16, 2012**

**RE: FORMAL COMPLAINT OF LEONARD KOCH AGAINST FALLS  
WATER OBJECTING TO THE COST TO CONNECT TO SERVICE.**

On February 29, 2012, the Commission received a "formal" complaint (attached) from Mr. Koch against Falls Water. Mr. Koch believes he is being overcharged by Falls Water for a line extension to obtain service at his property at 4335 N. Ammon Rd., Idaho Falls. Mr. Koch was unsatisfied with the outcome of the informal procedures to resolve his complaints and has filed a formal complaint.

### BACKGROUND

Mr. Koch contacted Falls Water to inquire about the cost of obtaining service at his property at 4335 N. Ammon Rd., Idaho Falls. Falls Water provided an estimate to Mr. Koch (attached). Mr. Koch was concerned with the amount of the estimate as well as all the various charges on the estimate. Falls Water's estimate indicated that it would cost \$11,907.20.

Staff has been in contact with Falls Water and pointed out that the majority of the items on the estimate are not contained in the Company's Tariff, and hence should not be charged. The only item that is contained in the Tariff and approved by the Commission is the connection fee (\$500) for a ¾" meter. The items on the estimate that are not contained in the tariff are: "Development Share of Physical Plant (\$2812)", "Water Rights Required (\$2280)", "Miscellaneous development fees (\$115)", cost to run a service line from the main to the meter barrel location (\$2500), and reimbursement to the developer who previously installed the 12" main (\$3700.20). Staff instructed Falls Water that it could only charge fees that were approved

by the Commission and included in its Tariff. Falls Water indicated it has been charging these types of fees not listed in its tariff for 7 years now. The Company refused to remove the disputed charges from its cost quote to Mr. Koch.

#### **STAFF RECOMMENDATION**

Mr. Koch was not satisfied with the outcome of his informal complaint. Consequently, he filed a formal complaint. See Rules 23, 25 and 54, IDAPA 31.01.01.023, .024 and .054.

#### **COMMISSION DECISION**

Does the Commission wish to accept Mr. Koch's formal complaint? Does the Commission wish to issue a Summons?



Daniel Klein



Chris Hecht

Udmemos/Koch formal complaint dec memo

February 29, 2012  
Jean Jewell  
PUC  
State of Idaho

Subject: Complaint – Public Access to Water

I have been attempting to to acquire water for private and domestic use since last October. Based on what I have learned is true and what I have been told I would like to lodge a formal complaint against "Falls Water" in Idaho Falls.

I began by requesting information as to cost for hook-up and service for water at the Falls Water office in Idaho Falls. In my discussion with Scott Bruce, manager, I was quoted a figure "\$15,000 - maybe more". I challenged such a high amount and inquired as to an appeal process. Mr. Bruce told me there was no appeal. That Falls Water is not a public utility and Falls Water he alone had the authority to determine what that cost would be. Further, my option was his price or dig a well. He added that the figure he was giving me could be more, and probably would be. I requested a written estimate and he agreed and provided a written estimate. I sent a copy of that document Mr. Daniel Kline, Idaho of your office. The estimate figure is \$11,900 and required me preform all labor on my property.

I did not understand why these charges would be so high and I inquired in order to find out. Nor did I think that a company providing water to the public would not be answerable to public authority. Since that time I have compared this estimate cost for hook up to other hook up charges within the city of Idaho Falls, (which are \$1,300) and sewer service hook up charges (which are \$2,200). I don't pretend to understand the specific charges or the rates as stated in his estimate, but I do understands that the figures he has quoted are the same to me as if I were a land developer and would be re-sealing service hook ups to a number of other customers. I am not a developer passing these cost on to customers in development location. I am an individual land owner who has recently inherited a piece of land, we wish to develop with a single structure house as prescribed by current zoning requirements (R2).

My complaint is based on the information that these commercial prices, along with direct statements made by Falls Water, that they have sole authority to establish and set these rates and further the public I has no right to appeal beyond Falls Water. And even more: The verbal manner in which this service is presented to the public e.g. "It is what I say it is and COULD BE MORE" is intimidating and not true. Further that the public has no right.

I conclude with one remaining fact: I still do not have water and will indeed need to have it in the very near future. It time for review and appeal is very much against pressing need. I appeal to you for consideration with expediency if at all possible.

My thanks for your time and consideration.

Sincerely

Len and Kathy Koch  
1306 Maelstrom N.  
Idaho Falls, Id. 83404  
f 522-9536



# FALLS WATER COMPANY

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(208) 522-4099

October 17, 2011

## Estimated Costs to Connect 4335 N Ammon Rd to Falls Water Co., Inc.

### Development Fees:

#### Development Share of Physical Plant (ie. New Well)

☒ \$1850.00/acre FWC provides irrigation of lawns

<u>Cost/Unit</u>	<u># of Units</u>	<u>Total Cost</u>
\$ 1,850.00	1.520	\$ 2,812.00

#### Water Right Required per Acre

☒ 1.5 AF FWC provides irrigation of lawns

<u># of Acres</u>	<u>AF Needed</u>	<u>Cost/AF</u>	<u>Total \$ Water Right</u>
1.5	1.52	2.28	\$ 1,000.00
			\$ 2,280.00

#### Miscellaneous Development Fees (ie. Inspections, hydraulic modeling, mapping corrections)

☒ \$115.00/Lot

<u>Cost/Unit</u>	<u># of Lots</u>	<u>Total Cost</u>
\$ 115.00	1	\$ 115.00

#### Total Development Fees Due

**\$ 6,207.00**

Reimbursement of Developer for 1/2 linear foot cost of 12" main line  
12" linear foot actual cost \$35.23 per linear foot. 1/2 of linear foot cost:

<u>Cost per LF</u>	<u>Frontage LF</u>	<u>Total Cost</u>
\$ 17.62	210	\$ 3,700.20

Connection fee for 3/4" meter

\$ 500.00

Estimated cost to install a service line from 12" water main on east side of North Ammon Road to the meter barrel to be located in the utility right of way easement on the west side of North Ammon Road on the new customers property.

\$ 2,500.00

Total Estimated Cost to hook on to Falls Water Co., Inc.'s water system.

\$ 11,907.20

The cost for share of physical plant and water rights are shown providing irrigation because the prospective customer cannot guarantee that future owners of the property will not use Falls Water Co., Inc. water to irrigate lawns and landscapes.

The development contract with the Birchwood Estates developer is in effect through October 23, 2017. The contract stipulates that anyone connecting laterally to the water main line would need to reimburse the developer 1/2 the linear foot cost of the water main times the frontage footage the new customer fronts the line.

New customer would be responsible to run 1" or larger line from meter barrel to the home and make the final connection to home. No cross connections to other water sources are allowed so that Falls Water Co., Inc.'s system is protected from potential contamination that may result from such cross connections.